

DEED OF TRUST

1186342 - R8 SDMS

THIS INDENTURE, Made / as of the 14TH day of NOVEMBER, 1994, between
RICO PROPERTIES LIMITED LIABILITY COMPANY, A COLORADO
LIMITED LIABILITY COMPANY
whose address is P.O. BOX 220
RICO, CO 81332

hereinafter referred to as grantor, and the Public Trustee of the DOLORES, State of Colorado, hereinafter referred to as Public Trustee,
WITNESSETH, THAT, WHEREAS, RICO PROPERTIES LIMITED LIABILITY COMPANY, A COLORADO LIMITED LIABILITY COMPANY
has executed a promissory note or notes, hereinafter referred to in the singular, dated April 01, 1994, for the
principal sum of ONE MILLION FOUR HUNDRED NINETY-NINE THOUSAND NINE HUNDRED AND
00/100 *** (\$1,499,900.00) *** (PLEASE SEE ATTACHED EXHIBIT DT-RIC-3)
Dollars, payable to the order of RICO DEVELOPMENT CORPORATION, A COLORADO CORPORATION
whose address is P.O. BOX 130
RICO, CO 81332 after the date hereof, with interest thereon from the date thereof
at the rate of 8.00 percent per annum, payable PURSUANT TO THE TERMS AND
CONDITIONS OF THE PROMISSORY NOTE

AND WHEREAS, The grantor is desirous of securing payment of the principal and interest of said promissory note in whose hands soever the said note or any of them may be.

NOW, THEREFORE, The grantor, in consideration of the premises and for the purpose aforesaid, does hereby grant, bargain, sell and convey unto the said Public Trustee in trust forever, the following described property, situate in the County of DOLORES, State of Colorado, to wit:
THAT PROPERTY DESCRIBED ON EXHIBIT DT-RIC-2, ATTACHED HERETO

EXHIBITS DT-RIC-1, DT-RIC-2 AND DT-RIC-3 ATTACHED HERETO, ARE
INCORPORATED HEREIN BY THIS REFERENCE.

also known by street and number as:

TO HAVE AND TO HOLD the same, together with all and singular the privileges and appurtenances thereunto belonging: In Trust nevertheless, that in case of default in the payment of said note or any of them, or any part thereof, or in the payment of the interest thereon, according to the tenor and effect of said note or any of them, or in the payment of any prior encumbrances, principal or interest, if any, or in case default shall be made in or in case of violation or breach of any of the terms, conditions, covenants or agreements herein contained, the beneficiary hereunder or the legal holder of the indebtedness secured hereby may declare a violation of any of the covenants herein contained and elect to advertise said property for sale and demand such sale, then, upon filing notice of such election and demand for sale with the Public Trustee, who shall upon receipt of such notice of election and demand for sale cause a copy of the same to be recorded in the recorder's office of the county in which said real estate is situated, it shall and may be lawful for the Public Trustee to sell and dispose of the same (en masse or in separate parcels, as the said Public Trustee may think best), and all the right, title and interest of the grantor, his heirs or assigns therein, at public auction at the front door of the Court House, in the County of DOLORES, State of Colorado, or on said premises, or any part thereof as may be specified in the notice of said sale, for the highest and best price the same will bring in cash, four weeks public notice having been previously given of the time and place of such sale, by advertisement, weekly, in some newspaper of general circulation at the time published in said County of DOLORES, a copy of which notice shall be mailed within ten days from the date of the first publication thereof to the grantor at the address herein given and to such person or persons appearing to have acquired a subsequent record interest in said real estate at the address given in the recorded instrument; where only the county and state is given as the address then such notice shall be mailed to the county seat, and to make and give to the purchaser or purchasers of such property at such sale, a certificate or certificates in writing describing such property purchased, and the sum or sums paid therefor, and the time when the purchaser or purchasers (or other person entitled thereto) shall be entitled to a deed or deeds therefor, unless the same shall be redeemed as is provided by law; and said Public Trustee shall, upon demand by the person or persons holding the said certificate or certificates of purchase, when said demand is made, or upon demand by the person entitled to the deed and for the property purchased, at the time such demand is made, the time for redemption having expired, make and execute to such person or persons a deed or deeds at the time property purchased, which said deed or deeds shall be in the ordinary form of a conveyance, and shall be signed, acknowledged and delivered by the said Public Trustee and shall convey and quitclaim to such person or persons entitled to such deed, the said property purchased as aforesaid and all the right, title, interest benefit and equity of redemption of the grantor, his heirs and assigns therein, and shall recite the sum or sums for which the said property was sold and shall refer to the power of sale therein contained, and to the sale or sales made by virtue thereof; and in case of an assignment of such certificate or certificates of purchase, or in case of the redemption of such property, by a subsequent encumbrancer, such assignment or redemption shall also be referred to in such deed or deeds; but the notice of sale need not be set out in such deed or deeds and the Public Trustee shall, out of the proceeds or avails of such sale, after first paying and retaining all fees, charges and costs of making said sale, pay to the beneficiary hereunder or the legal holder of said note the principal and interest due on said note according to the tenor and effect thereof, and all moneys advanced by such beneficiary or legal holder of said note for insurance, taxes and assessments, with interest thereon at 18.00 per cent per annum, rendering the overplus, if any, unto the grantor, his legal representatives or assigns; which sale or sales and said deed or deeds so made shall be a perpetual bar, both in law and equity, against the grantor, his heirs and assigns, and all other persons claiming the said property, or any part thereof, by, from, through or under the grantor, or any of them. The holder or holders of said note or notes may purchase said property or any part thereof; and it shall not be obligatory upon the purchaser or purchasers at any such sale to see to the application of the purchase money. If a release deed be required, it is agreed that the the grantor, his heirs or assigns, will pay the expense thereof.

and the above bargained property in the quiet and peaceable possession of the Public Trustee, his successors and assigns, against all and every person or persons lawfully claiming or to claim the whole or any part thereof, the grantor shall and will Warrant and Forever Defend.

If all or any part of the property or an interest therein is sold or transferred by the grantor without beneficiary's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Deed of Trust, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant or (d) the grant of any leasehold interest of three years or less not containing an option to purchase, beneficiary may, at beneficiary's option, declare all the sums secured by this Deed of Trust to be immediately due and payable. Beneficiary shall have waived such option to accelerate if, prior to the sale or transfer, beneficiary and the person to whom the property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to beneficiary and that the interest payable on the the sums secured by this Deed of Trust shall be at such rate as beneficiary shall request.

AND, That in case of default in any of said payments of principal or interest, according to the tenor and effect of said promissory note aforesaid, or any of them, or any part thereof, or of a breach or violation of any of the covenants or agreement herein, by the grantor, his personal representatives or assigns, then and in that case the whole of said principal sum hereby secured, and the interest thereon to the time of the sale, may at once, at the option of the legal holder thereof, become due and payable, and the said property be sold in the manner and with the same effect as if said indebtedness had matured, and that if foreclosure be made by the Public Trustee, and attorney's fee of the sum of **A REASONABLE AMOUNT OF** dollars for services in the supervision of said foreclosure proceedings shall be allowed by the Public Trustee as a part of the cost of foreclosure, and if foreclosure be made through the courts a reasonable attorney's fee shall be taxed by the court as part of the cost of such foreclosures proceedings.

Executed this day of 19 .
RICO PROPERTIES LIMITED LIABILITY COMPANY, A COLORADO LIMITED LIABILITY COMPANY

BY:

State of _____)
)s.s.
County of _____)

The foregoing instrument was acknowledged before me the _____ day of _____, 19____
by BY: _____ AS MANAGER OF RICO PROPERTIES LIMITED
LIABILITY COMPANY, A COLORADO LIMITED LIABILITY COMPANY

Witness my hand and official seal.

My commission expires:

Notary Public

EXHIBIT DT-RIC-1

THE LIEN OF THIS DEED OF TRUST SHALL BE RELEASED AS TO EACH OF THE LOTS AND TRACT LISTED ON EXHIBIT DT-RIC-2 UPON PAYMENT OF THE RELEASE CONSIDERATION SPECIFIED THEREFOR BELOW; AND UPON PAYMENT OF THE ENTIRE OUTSTANDING BALANCE (PRINCIPAL AND INTEREST) THE LIEN OF THIS DEED OF TRUST SHALL BE FULLY AND COMPLETELY RELEASED, SATISFIED AND DISCHARGED.

THE RELEASE CONSIDERATION FOR EACH LOT IN BLOCKS 10, 38 AND 39 (THE R-2 ZONED LOTS) SHALL BE \$10,000.00.

THE RELEASE CONSIDERATION FOR EACH OF THE REMAINING LOTS AND PARCEL LISTED ON EXHIBIT DT-RIC-2 SHALL BE \$20,000.00.

AGREED AND ACCEPTED THIS 14TH DAY OF NOVEMBER, 1994
RICO DEVELOPMENT CORPORATION, A COLORADO CORPORATION

BY: WAYNE E. WEBSTER, PRESIDENT

STATE OF)
)s.s.
COUNTY OF)

The foregoing instrument was acknowledged before me this _____ day of NOVEMBER, 1994 by WAYNE E. WEBSTER AS PRESIDENT OF RICO DEVELOPMENT CORPORATION, A COLORADO CORPORATION

Witness my hand and official seal.
My Commission expires:

Notary Public

EXHIBIT DT-RIC-2

The following described property, all located within the Rico Townsite, County of Dolores, State of Colorado, according to the plat and other documents of record in the Office of the Clerk and Recorder of Dolores County:

Block 1 Lots 17, 18, 19 and 20,
 Block 2 *ON NOTE* Lots 9, 10, 11 and 12
 Block 4 Lots 39 and 40
 Block 10 *ON NOTE* Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12,
 13, 14, 15, 16, 17, 18, 19, 20, 21, 22,
 23, 24, 25, 26, 27, 28, 29, 30, 31, 32,
 33, 34, 35, 36, 37, 38, 39 and 40
 Block 13 Lots 12, 13, 14, 15 and 16
 Block 14 *ASSAY* Lots 21, 22, 23, 24, 25, 26, 27, 28,
 Lots 36, 37, 38, 39 and 40
 Block 38 Lots 21, 22, 23, 24, 25, 26, 27, 28, 29, 30,
 31, 32, 33, 34, 35, 36, 37, 38, 39 and
 40
 Block 39 Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12,
 13, 14, 15, 16, 17, 18, 19, 20, 28, 29, 30,
 30, 31, 32, 33, 34, 35, 36, 37, 38, 39
 and 40

Parcel 2, original ATLANTIC CABLE SUBDIVISION, according to the plat recorded in the office of the Clerk and Recorder in Book 238 at page 319,

County of Dolores,
 State of Colorado.

tmt 94100045x

Also BL. 11

PARCELS 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40

LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40

LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40

EXHIBIT DT-RIC-3

AS OF NOVEMBER 9, 1994, THE OUTSTANDING BALANCE, INCLUDING PRINCIPAL AND INTEREST, ON THE DEBT EVIDENCED BY THE PROMISSORY NOTE SECURED BY THIS DEED OF TRUST IS ONE MILLION THREE HUNDRED SEVENTY-TWO THOUSAND FORTY-SIX AND 03/100 DOLLARS ***(\$1,372,046.03)***. UPON THE RECEIPT BY RICO DEVELOPMENT CORPORATION, A COLORADO CORPORATION OF AN ADDITIONAL SIX HUNDRED SIXTY THOUSAND AND 00/100 DOLLARS ***(\$660,000.00)***, ON OR BEFORE THE EFFECTIVE DATE OF THE DEED OF TRUST, THE OUTSTANDING BALANCE (INCLUDING PRINCIPAL AND INTEREST) SHALL BE REDUCED BY \$660,000.00.

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